

Remarks to Finance Ministers and Central Bank Governors

October 5, 1998

The President. First of all, let me welcome all of you here to the United States. It is a great honor for us to host this terribly important meeting.

Three weeks ago, at the Council on Foreign Relations in New York, I asked Secretary Rubin and Chairman Greenspan to call together their counterparts from key emerging and industrial economies to discuss ways of building a new financial architecture for the 21st century and to also evaluate the specific measures that we should take together to deal with the current crisis. And I offered some ideas of my own on that day.

We began these discussions on reforming the international financial architecture at the G-7 meeting in Naples back in 1994. It seems like a century ago, when you think of how quickly the world has changed since then. In Halifax, in 1995, the G-7 followed up with the establishment of the special data dissemination standard, the IMF supplemental reserve facility, the new arrangements to borrow.

But clearly this is not just a task for the G-7 alone. This is an issue which, as we see, affects every nation in the world. That is why last year, when the APEC leaders met in Vancouver, we called for a process that permitted the world's leading economies and the world's emerging economies to work together. And this effort began in April of this year.

The expansion of international markets and the growth of the global economy over the past 50 years has helped to lift millions and millions of people out of poverty; it has raised living standards for millions more. But as we see, the fast-paced, high-volume global capital markets also can react swiftly and harshly when countries stray from sound policies. And the markets also can overreact, subjecting even countries following good policies to severe pressures.

When the tides of global finance turn against a country, the human costs can be great. This weekend you've held important talks on the immediate steps we can take to limit the present financial crisis. And I was

pleased to hear that both the G-7 and the IMF interim committee have agreed to look at ways of strengthening our capacity for stability by establishing a new precautionary financial facility to help countries ward off financial contagion. Every leading industrial economy has a role to play, including the United States, by securing full support for IMF funding. Japan, by moving quickly to address its economic and financial challenges.

Tonight's meeting is an opportunity for us to look at not only the immediate crisis but to look further into the future. We must ensure that the international financial architecture is prepared for the new challenges of our time, especially the challenge of building a system that will lessen and manage the risks in the global market to allow countries to reap the benefits of free-flowing capital in a way that is safe and sustainable. I think this is imperative if we are to maintain global support among ordinary citizens for free markets and ultimately for free governments.

We must find ways that do not penalize those nations who follow strong economic policies in times of crisis that will minimize the frequency, severity, and human cost of the financial crisis, that will put in place social structures to protect the most defenseless, and that will promote broad democratic support, which is necessary for economic change.

You are doing important work, perhaps the most important work the world can be doing at this moment in history. The institutional reforms that flow from all this work will shape the global financial system for the next half-century. The way we move forward using our work here tonight will help to determine the course of our children's future. We must do whatever it takes to build them a future of stable and sustained progress and limitless opportunity.

I am convinced that, as formidable as the challenges may seem, it is well within our grasp if we determine to do what it takes.

Thank you very much.

[At this point, Treasury Secretary Robert Rubin made brief remarks on how the meeting should proceed.]

The President. Let me say, from my perspective, two things would be especially helpful to hear from all of you: First of all, briefly, what you think the causes of the present predicament are; and secondly, what you believe we should do, not only in the immediate present but over the long run with the architecture of the financial system. And insofar as there are new ideas to be advanced, I think we owe it to ourselves to say not only what the potential positive impacts are but whatever potential negative consequences might flow from the changes that we advocate.

And I would like to just suggest—if they're willing, I'd like to ask the head of the Mexican central bank, Mr. Ortiz, to begin; and perhaps Gordon Brown, the Chancellor of the Exchequer, would follow; and then, perhaps Minister of Finance Tharin from Thailand. And after those three talk, then we'll just open the floor and have a free-ranging discussion.

NOTE: The President spoke at 5:31 p.m. in the ballroom at the Sheraton Luxury Collection Hotel. In his remarks, he referred to Guillermo Ortiz, Governor, Bank of Mexico; Chancellor of the Exchequer Gordon Brown of the United Kingdom; and Minister of Finance Tharin Nimmanhem in of Thailand. The transcript made available by the Office of the Press Secretary also included the remarks of Treasury Secretary Robert Rubin.

Proclamation 7132—Child Health Day, 1998

October 5, 1998

By the President of the United States of America

A Proclamation

As caring parents and citizens, we must do all we can to ensure that our children, our Nation's greatest resource, lead safe and healthy lives. Today, thanks to scientific breakthroughs and increased public awareness, we have the ability to prevent many of the childhood illnesses and disorders of the past. We have raised immunization rates to an all-time high, ensured that prescription drugs will be adequately tested for children, conducted research to help protect children from environmental health risks, and established protections so that mothers can stay

in hospitals with their newborns until they and their doctors decide they are ready to leave. Although we can be heartened by these important achievements, we must do more if we are to overcome the many health challenges our children still face.

Recent studies show that children without health insurance are more likely to be sick as newborns, less likely to be immunized, and less likely to receive treatment for recurring illnesses. One of the great accomplishments of my Administration has been the creation of the Children's Health Insurance Program (CHIP), which I called for in my 1997 State of the Union and signed into law just a year ago. CHIP provides \$24 billion to help States offer affordable health insurance to children in eligible working families—the single largest investment in children's health since the passage of Medicaid in 1965. CHIP will provide health care coverage, including prescription drugs, and vision, hearing, and mental health services, to as many as 5 million uninsured children; and in its first year, nearly four out of five States already are participating in CHIP. We are also working hard to identify and enroll in Medicaid the more than 4 million children who are currently eligible to receive health care through that program but are not enrolled. The challenge before us now is to realize the promise of CHIP and Medicaid by reaching out to families to inform them of their options for health care coverage.

Due to recent breakthroughs in medical knowledge, we know that the decisions we make even before our children are born can have a significant impact on their future health. That is why we are committed to fighting, among other afflictions, the tragic consequences of Fetal Alcohol Syndrome. In this country, thousands of infants are born each year suffering from the physical and mental effects of this disorder. Because its effects are devastating, causing permanent damage, the simplest and best measure that expectant mothers can take for the safety of their babies is to abstain from drinking alcohol throughout their pregnancies.

As part of my Administration's ongoing efforts to protect our children from the effects of alcohol and other substance abuse, Secretary of Health and Human Services Donna